

CALENDAR ITEM

C62

A 35

04/20/17

S 19

PRC 8720.1

R. Collins

GENERAL LEASE – RIGHT-OF-WAY USE

APPLICANT:

Southern California Gas Company
555 W. 5th Street, GT26FO
Los Angeles, CA 90013-5002

PROPOSED LEASE:

AREA, LAND TYPE, AND LOCATION:

Sovereign land in the Burton Mesa Ecological Reserve, near Lompoc,
Santa Barbara County.

AUTHORIZED USE:

Use and maintenance of an existing six-inch-diameter natural gas
pipeline.

LEASE TERM:

20 years, beginning January 25, 2015.

CONSIDERATION:

\$1,118 per year, with an annual Consumer Price Index adjustment, and
with the State reserving the right to fix a different rent periodically during
the lease term, as provided in the lease.

SPECIFIC LEASE PROVISIONS:

Insurance:

Liability insurance in an amount no less than \$10,000,000.

Applicant may satisfy all or part of the insurance requirements
through maintenance of a self-insurance program as outlined in the
Lease.

Surety:

\$5,000,000

CALENDAR ITEM NO. **C62** (CONT'D)

STAFF ANALYSIS AND RECOMMENDATION:

Authority:

Public Resources Code sections 6005, 6216, 6301, and 6501.1; California Code of Regulations, title 2, section 2000, subdivision (b).

Public Trust and State's Best Interests Analysis:

The Burton Mesa Ecological Reserve (Reserve) consists of 5,300 acres in north Santa Barbara County and is held as sovereign land under the jurisdiction of the Commission. The Reserve supports one of the last significant natural stands of Burton Mesa Chaparral on the central coast. The land in the Reserve was acquired by the State in a series of transactions: 5,125 acres from Union Oil Company of California (UNOCAL) in 1991; 60 acres from UNOCAL in 1995; 47 acres from Santa Barbara County in 1998; and 68 acres from the California Department of Parks and Recreation in 2008. The Reserve is currently under lease to the California Department of Fish and Wildlife for management, operation, and maintenance.

During winter 2004, heavy rains caused a landslide adjacent to State Route 1 and left a significant portion of an existing six-inch-diameter natural gas pipeline suspended without support. The existing pipeline was installed under a license agreement with the State's predecessor in interest, UNOCAL. Early in 2005, emergency repairs were made by the owner of the pipeline and 830 feet of pipeline was relocated approximately 50 feet east of its previous location. On November 21, 2006, the Commission authorized a 10-year General Lease – Right-of-Way Use to Southern California Gas Company ([Calendar Item C21, November 21, 2006](#)), for the construction, use, and maintenance of 830 feet of a six-inch-diameter natural gas pipeline. The lease expired on January 24, 2015.

During review of the material submitted by the Applicant for a new lease, it was discovered that the UNOCAL license for the placement of the pipeline did not include a right-of-way for the rest of the pipeline crossing through the Reserve. Based on this discovery, Commission staff determined the entire pipeline within the Reserve required a lease. The Applicant is now applying for a new lease for 3,727.17 feet of a six-inch-diameter natural gas pipeline existing on the Reserve.

The Applicant performs cathodic protection surveys every year and leak surveys every five years. Based on annual cathodic protection readings measured in 2012 through 2016, the pipeline appears to have sufficient protection against corrosion. The last leak survey was performed in June 2013, and no leakage was found.

CALENDAR ITEM NO. **C62** (CONT'D)

Natural gas pipelines serve the energy needs of all Californians. The pipeline is buried, and therefore does not interfere with the Public Trust needs and values on the Reserve. The facilities do not significantly alter the land, the lease does not alienate the State's sovereign interest, and neither permanently impairs public rights. Upon termination of the lease and at the Commission's discretion, the lessee may be required to remove any improvements and restore the lease premises to their original condition should the pipeline be materially adverse to public health and safety, the Public Trust, and/or the environment. Based on the foregoing, Commission staff believes the existing natural gas pipeline will not substantially interfere with Public Trust needs, at this location, for the foreseeable term of the proposed lease.

The proposed lease requires the lessee to insure the lease premises and indemnify the State for any liability incurred as a result of the lessee's activities thereon. The lease also requires the payment of annual rent to compensate the people of the State for the occupation of the public land involved. For all the reasons above, Commission staff believes the issuance of this lease is consistent with the common law Public Trust Doctrine and in the best interests of the State.

OTHER PERTINENT INFORMATION:

1. This action is consistent with Strategy 1.1 of the Commission's Strategic Plan to deliver the highest levels of public health and safety in the protection, preservation, and responsible economic use of the lands and resources under the Commission's jurisdiction.
2. The staff recommends that the Commission find that this activity is exempt from the requirements of the California Environmental Quality Act (CEQA) as a categorically exempt project. The project is exempt under Class 1, Existing Facilities; California Code of Regulations, title 2, section 2905, subdivision (a)(2).

Authority: Public Resources Code section 21084 and California Code of Regulations, title 14, section 15300 and California Code of Regulations, title 2, section 2905.

3. The property assumed the legal character of sovereign land upon the State taking ownership of the property. This activity involves lands which have NOT been identified as possessing significant environmental values pursuant to Public Resources Code section 6370 et seq.; however, the Commission has declared that all lands are "significant" by nature of their public ownership (as opposed to "environmentally significant"). Since such

CALENDAR ITEM NO. **C62** (CONT'D)

declaration of significance is not based upon the requirements and criteria of Public Resources Code section 6370 et seq.; use classifications for such lands have not been designated. Therefore, the finding of the project's consistency with the use classification as required by California Code of Regulations, title 2, section 2954 is not applicable.

EXHIBITS:

- A. Land Description
- B. Site and Location Map

RECOMMENDED ACTION:

It is recommended that the Commission:

CEQA FINDING:

Find that the activity is exempt from the requirements of CEQA pursuant to California Code of Regulations, title 14, section 15061 as a categorically exempt project, Class 1, Existing Facilities; California Code of Regulations, title 2, section 2905, subdivision (a)(2).

PUBLIC TRUST AND STATE'S BEST INTERESTS:

Find that the proposed lease will not substantially interfere with Public Trust needs and values at this location at this time, is consistent with the common law Public Trust Doctrine, and is in the best interests of the State.

AUTHORIZATION:

Authorize issuance of a General Lease – Right-of-Way Use to the Applicant, beginning January 25, 2015, for a term of 20 years, for the continued use and maintenance of an existing six-inch-diameter natural gas pipeline as described in Exhibit A and shown on Exhibit B (for reference purposes only) attached and by this reference made a part hereof; annual rent of \$1,118, with an annual Consumer Price Index adjustment and with the State reserving the right to fix a different rent periodically during the lease term, as provided in the lease; liability insurance in an amount no less than \$10,000,000 per occurrence, or equivalent staff-approved self-insurance program; and surety bond in an amount of \$5,000,000.

EXHIBIT "A"

PRC 8720.1

LAND DESCRIPTION

A STRIP OF STATE LAND, 20.00 FEET WIDE, IN RANCHO MISSION LA PURISIMA, IN THE UNINCORPORATED TERRITORY OF THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, THE NORTHERLY LINE OF SAID STRIP BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE CENTERLINE INTERSECTION OF LOMPOC CASMALIA ROAD AND MERCURY AVENUE AS SHOWN ON THE MAP OF TRACT NO. 10034 AS RECORDED IN BOOK 51, OF RECORD MAPS, PAGES 70 THROUGH 75, INCLUSIVE, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY;

THENCE ALONG THE NORTHEASTERLY PROLONGATION OF SAID CENTERLINE OF MERCURY AVENUE NORTH 28°44'41" EAST 87.44 FEET TO A POINT IN THE CENTERLINE OF THAT CERTAIN STRIP OF LAND, 20.00 FEET WIDE, BEING AN EASEMENT GRANTED BY UNION OIL COMPANY OF CALIFORNIA TO SOUTHERN COUNTIES GAS COMPANY, EFFECTIVE DECEMBER 3, 1959, AND DESCRIBED IN THAT CERTAIN UNRECORDED DOCUMENT ON FILE AS RIGHT OF WAY NO. 9,940, RECORDS OF SOUTHERN CALIFORNIA GAS COMPANY, SUCCESSOR TO SOUTHERN COUNTIES GAS COMPANY;

THENCE ALONG SAID EASEMENT CENTERLINE SOUTH 66°42'29" EAST 483.20 FEET TO AN ANGLE POINT THEREIN;

THENCE CONTINUING ALONG SAID EASEMENT CENTERLINE SOUTH 64°35'19" EAST 387.84 FEET TO THE TRUE POINT OF BEGINNING OF THIS DESCRIPTION;

THENCE NORTH 1°43'59" EAST 32.50 FEET;

THENCE SOUTH 88°56'57" EAST 129.66 FEET;

THENCE SOUTH 75°39'06" EAST 165.94 FEET;

THENCE SOUTH 62°41'04" EAST 224.82 FEET;

THENCE SOUTH 60°02'41" EAST 163.26 FEET;

THENCE SOUTH 47°30'41" EAST 146.74 FEET;

THENCE NORTH 70°22'20" EAST 273.64 FEET;

THENCE NORTH 73°37'32" EAST 258.54 FEET;

THENCE SOUTH 74°57'40" EAST 431.90 FEET;

THENCE SOUTH 72°24'06" EAST 326.62 FEET;

THENCE SOUTH 61°49'02" EAST 324.09 FEET;

THENCE SOUTH 57°52'56" EAST 794.45 FEET;

THENCE SOUTH 56°38'58" EAST 455.55 FEET, MORE OR LESS, TO A POINT IN THE SOUTHWESTERLY LINE OF BURTON MESA BOULEVARD, 84.00 FEET WIDE, AS DESCRIBED IN THE EASEMENT FOR PUBLIC ROAD RECORDED IN BOOK 1899, OF OFFICIAL RECORDS, PAGE 170, ET SEQ, IN SAID OFFICE OF THE COUNTY RECORDER, AND AS SHOWN ON COUNTY SURVEYORS MAP, CS1104 THROUGH CS1114, INCLUSIVE, ON FILE IN THE OFFICE OF THE COUNTY SURVEYOR OF SAID COUNTY.

THE SOUTHERLY SIDE LINES OF SAID STRIP TO BE EXTENDED OR SHORTENED TO INTERSECT AT ANGLE POINTS AND TO TERMINATE SOUTHEASTERLY IN SAID SOUTHWESTERLY LINE OF BURTON MESA BOULEVARD.

EXCEPTING THEREFROM ANY PORTION LYING WITHIN AND PUBLIC ROAD RIGHT OF WAY.

THIS LEGAL DESCRIPTION WAS PREPARED BY ME OR UNDER MY DIRECTION.

END OF DESCRIPTION




GREGORY S. IRWIN, P.L.S. NO. 5923

NO SCALE

SITE

APN
097-371-049

**LEASE
PARCEL**
(6" GAS PIPELINE)

APN
097-371-049

BURTON MESA ECOLOGICAL RESERVE, NEAR VANDENBERG VILLAGE

NO SCALE

LOCATION



MAP SOURCE: USGS QUAD

This Exhibit is solely for purposes of generally defining the lease premises, is based on unverified information provided by the Lessee or other parties and is not intended to be, nor shall it be construed as, a waiver or limitation of any State interest in the subject or any other property.

Exhibit B

PRC 8720.1
SOUTHERN CALIFORNIA GAS
COMPANY
APN 097-317-049
GENERAL LEASE -
RIGHT-OF-WAY USE
SANTA BARBARA COUNTY



TS 08/05/16